

Panama

Fixed Term Contracts

Fixed-term contracts are permitted for a maximum of one year. They can be renewed up to 3 times. Fixed-term contracts can be terminated so long as all costs/payments through the end of the contract terms (e.g. salary, etc.)

Probationary Periods

Probationary periods are allowed for a maximum of 3 months. The process for termination is notification by the employer, it takes immediate effect.

Holidays

There are 14 public holidays defined by the Panamanian government. They are considered paid days off. If a worker is required to work they are to be paid 3x their regular rate.

Vacation

After 11 months, 30 days. Unused leave will carry over year to year and is paid at the time of termination.

Sick Leave

18 Days are paid by the employer. The employee needs to get a medical certificate issued by a doctor.

Working Hours

8 hours per day/40 hours per week

Overtime

25% over the regular hourly rate. Limited to 9 hours per week. Night work is 50% over the regular hourly rate.

Termination

After probation period, 30 days notice is required. Must provide notice to the worker, if the position is no longer needed it is considered a termination without cause and full indemnification must be paid to the employee.